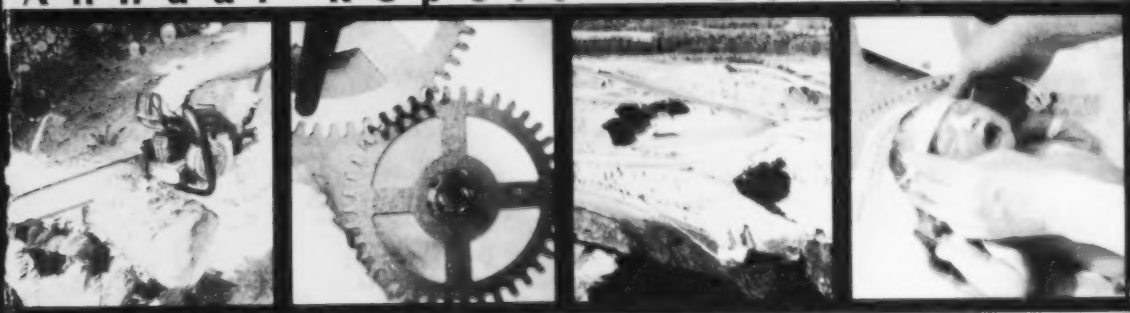
Aurora College

Annual Report — 2001/2002



building capacity

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Aurora College

Annual Report 2001/2002

building capacity

Letter of Transmittal

The Honourable Jake Ootes, Minister, Education, Culture & Employment

Minister Ootes:

Aurora College has once again had an eventful year. In addition to addressing new training challenges and forging new partnerships, we have been implementing ongoing changes and improvements in the way the College operates.

Over the past two years, the Board of Governors has worked closely with Aurora College Senior Management to research ways of creating a new post-secondary education system for the NWT, one that provides a broad range of academic services from Adult Literacy and Basic Education to labour market training needs to university level programs.

As spelled out in our corporate plan, *Learning and Success in the 21st Century*, the strategies to achieve this vision include building more transfer agreements with Canadian universities to expand degree opportunities for Northerners, a commitment to building on our current training relationships with business and industry, and constantly striving to refine and improve the programs we deliver. It is my belief that these steps will result in a stronger and more responsive Northern college system, and my fellow Board members and I look forward to working with Senior Management in the coming years as we pursue these goals.

The role of the Board is to provide overall direction for the College in the areas of policy, finance and program and service delivery. Our current board is made up of dedicated Northerners who will work hard to ensure that the College system of the NWT remains innovative for years to come.

It is a pleasure to work with this group, and with the College Senior Management, and I look forward to addressing new challenges for Aurora College in the coming year.

Earl Jacobson
Chairperson
Aurora College Board of Governors

President's Report

Aurora College has spent the past year building on our strengths and seeking new and innovative ways to serve the education needs of the people of the Northwest Territories.

In addition to addressing ongoing training needs as they arise, the College has been pursuing a number of developmental and capacity building steps through the implementation of our corporate plan. These steps are being pursued on a number of fronts, including new academic relationships and expanded programs and services.

Implementing Our Corporate Plan

Our corporate plan sets out seven broad strategic directions for Aurora College from 2001-2005. These are:

1. Strive for Excellence
2. Increase Enrolment, Retention and Achievement
3. Develop Our Governance Structure and Organizational Design to Support our Corporate Goals
4. Work with Industry to Maximize Employment Opportunities for Northerners
5. Increase Funds for Education, Training and Research
6. Create Partnership in the Delivery of Adult Basic Education
7. Increase Degree Opportunities for Northerners

Within each of these strategies are a number of actions, which lead over the planning period to the development of a new type of post-secondary education system for the NWT, one that prepares our population to benefit from the economic changes that are occurring today.

In particular, this past year we have worked to address the labour market needs of the diamond mines and the oil and gas sector by delivering safety training, pre-employment mill processing and drilling and service rig training programs.

In other areas, we have expanded our services to provide higher education, including new transfer agreements with the University of Victoria and the University of Regina for degrees in Nursing and Social Work. We are also planning for the delivery of the fourth year of a Bachelor of Education Degree in the NWT.

Other steps guide the College in new ways of thinking. How can our organizational design be revised to

President's Report

Aurora College President Maurice Evans addresses graduates at the 2001-2002 Convocation Ceremonies at Aurora Campus in Inuvik.

provide for greater academic responsibility and improved integration? How should our Board of Governors be structured to serve the needs of an evolving territory? These are the questions that College Senior Managers will pursue with the Board of Governors in the coming year.

Enrolment Trends

The College has enjoyed slight increases in enrolments across most divisions this year, with the greatest growth taking place in trades training at Thebacha Campus. Thebacha has started running a Pre-employment Mill Processing Program, and has expanded the apprenticeship program in electrical training to the third year. We also saw trades numbers climb at Aurora Campus thanks to increased rig training. Trades training has dropped somewhat at Yellowknife Campus, largely due to a decrease in the demand for secondary diamond industry training.

Enrolment figures were up on the academic side, as both Thebacha and Yellowknife Campuses experienced increases. Aurora Campus' numbers were

down last year as there was no intake for the Recreation Leaders Program. With the revitalization that program has experienced in the 2002-2003 academic year, we should see academic graduate numbers rising for Aurora Campus next year.

Education and Training

As previously mentioned, the College has established new programs to address the labour market initiatives. Diavik Diamond Mines Inc. donated mill processing equipment to the College in order to provide training that would enable Northerners to gain employment at the Diavik mine during its operational phase. In addition, we have been working closely with the petroleum industry to ensure that Northerners will be ready for employment opportunities in the energy sector.

Turning to other training issues, we are expanding degree opportunities for Northerners by delivering the fourth year of the Teacher Education Program in the NWT, and by delivering a Bachelor of Nursing Degree in partnership with the University of Victoria. In the past year, we have also cemented a new relationship with the University of Regina for our Social Work program, which will see our students receive full credit for the first two years of their Bachelor of Social Work degree by completing our diploma program.

The College is still committed to providing a wide range of academic services, to people across the educational spectrum. We have developed Access programs for most diploma programs, thus enabling learners with lower academic skills to aim toward the career programs of their choice.

National Initiatives

The national network of community colleges has always worked well together on advocacy issues, but because of the unique Northern focus of many of our issues, Aurora College felt a new advocacy and problem-solving body was required to meet our needs. Thus, in 1996, we, along with Nunavut Arctic College and Yukon College, established the Northern Colleges Conference. Since that humble meeting in Yellowknife seven years ago, the NCC has grown into a pan-Canadian meeting of northern and remote colleges where solutions are shared, issues are identified, and relationships are built. The past year's conference was hosted by Keyano College in Fort McMurray, Alberta, and resulted in a number of interesting perspectives on oil and gas training, which we hope to build upon in the coming year.

President's Report

Facility Improvements

One of our central focuses is to provide our students with learning facilities and residences that make their experience at Aurora College more effective and enjoyable.

The main thrust in facility development for the coming years will be the new Campus building in Inuvik. The College Board and Administration were disappointed to learn that the project would be delayed due to unexpectedly high construction costs. Discussions have been ongoing between Public Works and Services and the contractor, a coalition of aboriginal businesses from the region. However, with the recent completion of the new building's gravel pad, we are hopeful the project will be back on track and that the new Campus will be open for the 2004-2005 academic year.

Also in Inuvik, we are working to address the accommodation needs of our students. The existing 18 family units we now hold in that community need substantial renovations before they can be occupied. In 2001, we reached an agreement with a private developer to open all 18 units, and to make 10 of those units available for single student housing for the 2003-2004 academic year.

We are also looking for ways to expand our facilities in community locations. This year, we had the pleasure of opening a new Community Learning Centre in Fort Liard. The new facility is integrated into the Echo Dene School, allowing us to share expertise and resources with other educators. This model is consistent with our ongoing commitment to play a leadership role in the creation of community learning networks.

President's Office Activities

The President's Office, formerly known as Head Office, is the unit responsible for providing overall college administration, leadership on academic development, financial and administrative services, program and policy development and marketing and communication support. This unit includes three divisions: Office of the President, Finance and Administration, and Policy and Programs.

The Office of the President includes the College's executive function as vested in the President, and the Public and Corporate Affairs Office. The unit led the development of the corporate plan and the implementation strategy for the corporate plan. Over the next five years, we will pursue the strategies as outlined in our plan with leadership provided through this office. In addition, this unit is leading the project to examine our organizational design and governance structure. This project will be fleshed out over the coming year, as we examine our

President's Report

recently completed research on the subject.

Finance and Administration provides overall financial services for the College, provides human resource services, maintains the Student Record System and provides computer services to all divisions. This year, a new position entitled Manager of Student Records and Systems was staffed in this unit. This position is tasked with maintenance of student records, the production of our annual academic calendar, and the collection and distribution of College statistics. This division is also dealing with network upgrades to the College e-mail system, and is working toward the establishment of a wide area network connecting all Aurora College campuses and learning centres. This is a formidable task, given the various software and computer systems the network must route through, and work will be ongoing during the next year.

The development of new programs, establishing new transfer agreements and brokering arrangements, academic development, and policy development are all vested in Policy and Programs. This unit has undertaken a number of major activities this year, including establishing our presence in the new University of the Arctic, leading ongoing academic development for our Nursing, Natural Resources and Social Work Programs, and creating new programs to respond to training needs for the public and private sectors. Among the programs developed over the past year are the Aviation Diploma Program, Pre-employment Mill Processing, and Process Control/Instrumentation. In addition to establishing new programs, Program Development has undertaken the retooling of the Recreation Leaders Program, and the creation of a new Community Economic Development Stream for Management Studies. This new stream has since received full certification from the Canadian Association of Native Development Officers. This office also led the development of a new Annual Review process. Program Development will also be key in the implementation of this new process, which is designed to measure the effectiveness of our programs on a regular basis.

I anticipate further changes in the organization of the President's Office in the coming years as we move to adopt a more academic model of organization. We will report on these proposed changes in the coming year.

Overall, the College has enjoyed great success in the past year, and is well positioned to meet its ongoing mandate in the years to come.

Maurice Evans
President

Educational Services

Certificate and Diploma Programs

Aurora College remains committed to providing Northerners with the best post-secondary educational services available anywhere. To address the needs of our population, we not only create made in the North programs which fill specific needs, but also work with the national education community to create linkages and partnerships which open new education and training opportunities for our students.

This year, we have created a new program with the help of Diavik Diamond Mines. The Process Control/ Instrumentation Certificate program, which is tentatively scheduled for delivery early in 2003, will prepare Northerners for employment during the operations phase of the Lac de Gras diamond mine project.

In the 2002-2003 academic year, we will also deliver the Aviation Diploma program in partnership with Big River Air Ltd. of Fort Smith. This program will provide Northerners with an opportunity to gain their commercial pilot license. This program offers a number of advantages for NWT residents, including experienced Northern instructors and training on the type of aircraft that typically serve Northern communities.

We continue to prepare Northerners to work in high technology fields with our Certificate in Computing and Information Systems Program at Yellowknife Campus. The program was delivered for the first time this year, and ongoing demand is such that it will be delivered again next year.

The Northern Nursing Program has forged an alliance with the University of Victoria that will see Baccalaureate Nursing Degree courses offered at Yellowknife Campus this fall. The program has also expanded into other health education areas, including Nurse Practitioner, which is being delivered in partnership with the Centre for Nursing Studies in Newfoundland.

By expanding the level of academic opportunities in the NWT, Aurora College can ease the transition from College to southern university for Northern students. We will continue our development in this area to ensure that Northerners have access to the highest quality educational opportunities the country has to offer.

Trades and Industrial Programs

Aurora College has continued our longstanding dedication to trades training this year. In addition to delivering the programs we have offered for the past three decades, we have also expanded our training to fill growing labour market needs.

Ongoing collaboration with the northern mining industry has resulted in a Pre-employment Mill Processing Program being delivered at Thebacha Campus. The program was developed with Diavik Diamond Mines, Ltd. and the company has donated mill processing equipment and computer-based training materials for the program.

Aurora Campus has continued its ongoing work to design and deliver training to support the oil and gas industry. This year, Aurora Campus, in partnership with the Petroleum Industry Training Service, Akita-Equtak, Polar-Bonus and Shehtah Drilling, delivered drilling rig and service rig training programs, in addition to safety and transportation programs. Working closely with our industry partners, Aurora College is becoming a leading source of oil and gas training in the North.

Program **Profile**

Aurora College is always looking for new ways to help Northerners pursue their dreams. This year, in partnership with Big River Air Ltd. of Fort Smith, the College developed a new Aviation Diploma Program, which will allow Northerners to earn their commercial pilot license right here in the North. Aurora College is continuing our tradition of helping people's dreams take flight.

Campus Highlights

Aurora Campus

Aurora Campus enjoyed a prosperous year once again, bolstered by ongoing demands in the oil and gas training sector. Our close partnerships with industry in this area allow the College to deliver training programs using the facilities and equipment that workers would encounter on the job site.

Of major importance to Aurora Campus is the rejuvenation of the Recreation Leaders Program. This year, the College worked with Municipal and Community Affairs to run a major promotional campaign aimed at revitalizing the program. The project was a complete success, and a class of 12 RLP students are registered for the 2002-2003 academic year.

Thanks to Literacy funding through the Department of Education, Culture and Employment, 12 out of 13 communities in the Aurora Campus service region were staffed with adult educators this year. They offered a variety of courses from adult literacy and basic education to on-line courses where infrastructure allowed. We were pleased to be able to bring the College's services to so many community locations.

Our Criminal Justice Certificate Program had another extremely successful year. Our graduates are heading to Yukon College to complete their second year, and are all planning careers in the justice system in some form. Our class valedictorian, Pearl Wainewright, is from this program. Pearl spent the summer as an auxiliary constable for the RCMP, and plans to apply to RCMP Depot when she has completed her program.

This year, Aurora Campus said good-bye to Una Chinna, who has put in 31 years of service with the Government of the Northwest Territories. Una has headed the Teacher Education Program in Inuvik since its inception, and has been a valued colleague for the faculty and staff of the campus. Her friends at Aurora College wish her well in her retirement.

Aurora Campus staff were disappointed at the delay of the new campus building, but are continuing to work with the facilities at hand. We are looking forward to the reopening of some renovated student housing for the 2003 academic year, as housing continues to be a major challenge for residents of the Inuvik region who wish to attend the College.

Thebacha Campus

Thebacha Campus in Fort Smith also had a successful year of activities which included hosting a group of Canadian Forces pre-recruits, and hosting the Skill's

Campus Highlights

Canada competition once again.

This past summer, Thebacha Campus hosted the Pre-recruit Training Program for aboriginal people who want to find out what a career in the military would be like. A number of Canadian Forces personnel ran the program, which introduces the participants to basic military commands and operations. Successful participants are then sent on to Canadian Forces training bases in British Columbia or Quebec. The program went extremely well, and military personnel have indicated they wish to run the program in Fort Smith again in the future.

Thebacha Campus has undergone some library enhancement to upgrade the research materials available for the Teacher Education and Social Work Programs. The library has acquired web-based access to several databases that are core to undergraduate programs in the areas of education, social sciences, general and applied sciences, humanities and business.

The Observer-Communicator program celebrated 25 years of successful operation as part of Thebacha Campus. This pan-arctic program, which trains radio operators and weather observers for remote airports, is an example of one the College's most successful and

Program **Profile**

Continuing our successful relationship with Diavik Diamond Mines Ltd., Aurora College is now offering two programs that can lead to employment in the operations phase of Diavik's diamond mine. Pre-employment Mill Processing and the Process Control/Instrumentation Certificate Program will help prepare Northerners for the long-term economic opportunities that arise during the mine's 20-year lifespan.

Service **Profile**

Student Success Centres at Aurora College are making important contributions to student achievement. By providing tutoring services, computer access or just a place to meet and share challenges, the centres have quickly become an indispensable part of Aurora College's services to our students.

long-running partnerships. It is a testament to the hard work and professionalism of our instructors that this program has operated so long and so well.

As part of the College's ongoing commitment to provide training that is culturally relevant and delivered in a uniquely Northern fashion, the campus has established a Traditional Knowledge Room. A committee of staff and students direct the activities in the room, which include visits from community elders, aboriginal arts, storytelling and history. In addition Social Work Program staff are adding a Cultural Camp to that program's curricula. This on-the-land experience will immerse students in traditional lifestyles and attitudes.

Yellowknife Campus

Yellowknife Campus has changed substantially since the days when it mainly served the capital city and Rae/Edzo area. Today, Yellowknife Campus delivers it services throughout the North Slave Region, and campus staff have been expanding program options throughout their service region.

Among the services offered in community locations such as Wekweti, Gameti, and Wha Ti are Computer Skills, Driver Education, First Aid training and Dogrib language instruction.

Campus Highlights

The Campus has also concentrated on revitalizing the Rae Community Learning Centre, its largest community facility. Programming levels had dropped off in recent years, but the Campus has worked hard this year to provide a variety of training, including Workplace Literacy, Interpreter/Translator, Dogrib Language Instruction, and Early Childhood Education.

The Certificate in Computing and Information Systems Program was delivered for the first time this year, and was extremely successful. The first year saw 10 graduates from this program, and demand is such that the College will offer the program again in the coming academic year.

As in previous years, we are once again building on the major successes Aurora College has enjoyed in our Health Programming. As well as record enrolment in the Northern Nursing Diploma Program, with 28 students in first year, we are expanding our training to the Nurse Practitioner Field, and are starting full-time delivery of the Bachelor of Nursing Program in partnership with the University of Victoria. These programs will help build a strong Northern Nursing work force – one that enjoys a reputation of quality and commitment.

Aurora Research Institute

The Aurora Research Institute (ARI) became a division of Aurora College to enhance the College's capability to incorporate research, technology and traditional knowledge into programs. The Research Institute is also a focal point for northern research and technological advances in the Northwest Territories (NWT). ARI continues to assess research needs and priorities of northerners through the ongoing development of the NWT Research Agenda. ARI promotes further development of communities within the NWT by advancing northern knowledge, through partnerships and by providing leadership and training to promote scientific research that meets community needs.

The Aurora Research Institute has three main facilities strategically located throughout the NWT. The ARI Head Office is located at the **Inuvik Research Centre** (IRC) in Inuvik. The Inuvik Research Centre is ARI's largest facility. Its main function is to provide logistical support and services to researchers working in the Mackenzie Delta, Beaufort Sea and northern Yukon Territory. Over 70 researchers used these facilities in 2001-02. This was a particularly busy year for the Inuvik Research Centre with the activities relating to Phase II of the Mallik Gas Hydrate Research Well Program. This production research well program involved seven international partners and a large research team. The Inuvik Research Centre is also the location of the research library, which now has a 14,000-volume scientific reference facility with materials on northern research and related issues.

The **South Slave Research Centre** (SSRC) in Fort Smith is located in the Thebacha Campus building. This facility conducts and facilitates research programs in the southern regions of the NWT. Staff at this centre have been extensively involved with internet training and web site development. Work has also continued on the development of Geographical Information System (GIS) expertise through this facility. The SSRC have a number of programs that involve youth. This includes the Community Access Program, CIGEMON (traditional games on computer) and Science & Technology Camps.

ARI also serves as the network member of the National Research Council's **Industrial Research Assistance Program (IRAP)**. IRAP assists small and medium sized businesses with research and development of new technologies with a view to stimulating productivity, profitability and international competitiveness. Two major initiatives supported in the NWT during 2001-02 included Fibreglass Pole Development and Housing Construction. There were a

Aurora Research Institute

total of 24 projects approved for financial assistance under IRAP for a total of $340,000.00 and a total R&D budget of $750,000 in 2001/02.

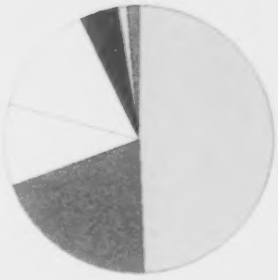
ARI is responsible for administering the *NWT Scientist Act* and ensuring that licensed research information is communicated to northerners. From July 1st, 2001 to June 30th, 2002 there were 130 scientific licences issued.

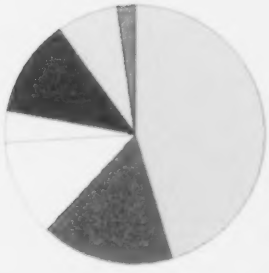
Research Licenses

Issued by Field and Region

Research Licenses
issued by Field of Study

Biology	49%
Physical Sciences	20%
Geology	10%
Social Sciences	13.8%
Health	4.6%
Fossils	1%
Engineering	1.5%





Research Licenses
issued by Region of Study

Inuvik	45.4%
North Slave	16.2%
Deh Cho	12.3%
South Slave	3.8%
Sahtu	12.3%
More than one region	7.7%
All regions	2.3%

As part of the licensing process, researchers are required to submit a brief summary of their activities for each licenced year. ARI develops a summary document that includes summaries from the Wildlife research permits, Archaeological permits and Department of Fisheries and Oceans licenses in the annual Compendium of Research for the NWT. The 2000 Compendium was completed this year and distributed throughout the NWT and to researchers conducting studies within the NWT.

Aurora Research Institute staff members are involved in a number of different research areas. This year, there were increased activities in the areas of technological developments with the addition of a Manager, Technology Development. Activities in this area focused on sustainable energy technologies for the North. A Distributed Generation Workshop was coordinated and hosted by ARI highlighting areas such as emerging technologies and alternative energy sources and northern applications. This section is also working on a project entitled "Green Energy for Remote Housing in the North: Development and Demonstration of an Integrated Energy System Utilizing Fuel Cells". The Manager of Scientific Services served as

Research Licenses

the Chair of the NWT Environmental Contaminants Committee (NWTECC). This enhanced ARI's involvement and understanding of environmental issues relating to contaminants concerns and provided an opportunity for assisting communities throughout the NWT. As part of ARI's commitment to providing research summaries, the Research and Technology division completed a plain language report entitled Forest Fires and Northern Communities: Lessons from the 1968 Inuvik Fire. This was done in collaboration with Dr. Ross Wein at the University of Alberta and is Report #8 in our Scientific Report series.

The staff of the Research Centres continue to provide research services and data collection. The Neutron Monitoring Program continues at both the Inuvik and South Slave Research Centres. This is the second year of operation of the station at the SSRC. A "real time monitor" of the data output from the Fort Smith site has been developed to enable comparison of the data to other sites. This can be viewed at the Bartol web site at *http://www.bartol.udel.edu/~pyle/rtplots.htm*.

This year, members of the ARI staff were actively involved in research and provision of technical assistance to College programs and initiatives. This includes assisting with the new Campus development in Inuvik, particularly in the area of testing, demonstration and training facility for the emerging energy and environmental technologies. Staff also provided instruction in a number of College programs and courses including the Natural Resource Technology Program in Fort Smith and Inuvik. In advancing science and technology education in schools, staff members have been implementing the Global Learning and Observations to Benefit the Environment (GLOBE) program in schools in the NWT. This is an international hands-on science and education program that unites students, teachers and scientists from around the world in study and research about the dynamics of the Earth's environment. Funding was also provided through the Promo Science program of the Natural Sciences & Engineering Research Council. This assistance enhances ARI's ability to promote science and technology to youth in NWT schools.

The Research Institute continues to work in partnership with communities and other government departments and has expanded its involvement in College wide initiatives and programs throughout the past year. A committee consisting of ARI, President's Office and Campus staff are in the process of developing a comprehensive strategic research plan for the College.

Student Enrolments

Student Enrolment by Location:

Campus	Full Time Students	Part Time Courses	2002 Full Time Equivalents	2001 Full Time Equivalents
Aurora	90	3,263	416.3	388.6
ARI	0	0	0.0	2.2
Thebacha	256	1,631	461.0	454.9
Yellowknife	181	1,709	351.9	331.1
Total College	527	6,603	1,229.2	1,176.8

Full Time Equivalent Students by Location and Program Division:

Division	Aurora	Thebacha	Yellow-knife	2002 Totals	2001 Totals
Academic	105.1	112.1	82.5	299.7	297.3
University Partnerships	7.5	3.7	16.5	27.7	18.9
Credit	55.4	107.4	150.9	313.7	371.9
Trades	90.4	182.6	22.6	295.6	190.8
Career Development	147.8	42.3	79.4	269.5	267.4
Personal Development	10.1	12.9	0.0	23.0	30.5
Total	416.3	461.0	351.9	1,229.2	1,176.8

Report to the Minister of Education, Culture and Employment on the accounts and financial statements of Aurora College for the year ended June 30, 2002

Management's Responsibility For Financial Statements

The financial statements of the Aurora College ("the College") and all information in this annual report are the responsibility of the College's management and have been reviewed by the Board of Governors. The financial statements have been prepared in accordance with Canadian generally accepted accounting principles. Management's best estimates and judgements have been used in the preparation of these statements, where appropriate. Financial information presented elsewhere in the annual report is consistent with that contained in the financial statements.

In discharging its responsibility for financial reporting, management maintains and relies on financial and management control systems and practices which are designed to provide reasonable assurance that transactions are authorized, assets are safeguarded, and proper records are maintained. These controls and practices ensure the orderly conduct of business, the accuracy of accounting records, the timely preparation of reliable financial information and the adherence to the College's policies and statutory requirements.

The Board of Governors is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control and exercises this responsibility through the Finance Committee of the Board, which is composed of a majority of Members who are not employees of the College. The Finance Committee meets regularly with management and the external auditors have full and free access to the Finance Committee.

The College's external auditor, the Auditor General of Canada, audits the financial statements and issues her report thereon to the Minister of Education, Culture and Employment.

Maurice Evans
President

Edith Weber
Bursar/Chief Financial Officer

Fort Smith, Canada
October 11, 2002

AUDITOR GENERAL OF CANADA VERIFICATEUR GÉNÉRAL DU CANADA

AUDITOR'S REPORT

To the Minister of Education, Culture and Employment
Government of the Northwest Territories

I have audited the balance sheet of the Aurora College as at June 30, 2002 and the statements of operations and equity and cash flow for the year then ended. These financial statements are the responsibility of the College's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the College as at June 30, 2002 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the *Financial Administration Act*, I report that, in my opinion, these principles have been applied on a basis consistent with that of the preceding year.

Further, in my opinion, proper books of account have been kept by the College and the financial statements are in agreement therewith and the transactions of the College that have come to my notice during my audit of the financial statements have, in all significant respects, been in accordance with Part IX of the *Financial Administration Act* and regulations, the *Public Colleges Act* and regulations and by-laws of the College.

Roger Simpson, CA
Principal
for the Auditor General of Canada

Edmonton, Canada
October 11, 2002

Balance Sheet

as at June 30, 2002

(thousands of dollars)

	2002	2001
ASSETS		
Current assets		
Cash and cash equivalents (Note 3)	$1,859	$3,078
Accounts receivable (Note 4)	1,730	860
Prepaid expenses	65	186
	3,654	4,124
Capital assets (Note 5)	3,299	3,234
	$6,952	$7,358
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	$1,672	$1,832
Employee leave pay	920	1,059
Due to the Government of the Northwest Territories	450	155
Deferred project income	427	208
Current portion of employee future benefits	195	206
	3,664	3,460
Deferred capital contributions	356	143
Professional development fund (Note 6)	510	477
Employee future benefits (Note 7)	780	822
	5,310	4,902
EQUITY (Note 8)	1,642	2,456
	$6,952	$7,358

Commitments (Note 11)

Approved by the Board:

Earl Jacobson
Chairperson of the Board

Gina Dolphus
Chairperson of the Finance Committee

The accompanying notes are an integral part of the financial statements.

Statement of Operations and Equity

for the year ended June 30, 2002

(thousands of dollars)

	2002	2001
REVENUE		
Government contributions (Note 9)	$ 23,683	$ 22,555
Project income		
Territorial government	3,909	3,036
Federal government	696	335
Other	1,449	875
Tuition fees	1,500	1,339
Room and board	722	679
Investment income	105	246
Other	895	605
TOTAL REVENUE	**32,959**	29,670
EXPENSES		
Compensation and benefits	17,994	16,771
Contract services	8,118	6,565
Materials and supplies	2,643	2,205
Utilities	1,317	1,363
Fees and payments	1,383	1,177
Travel and accommodation	1,236	1,074
Communication, postage and freight	688	454
Amortization of capital assets	394	337
TOTAL EXPENSES	**33,773**	29,946
(DEFICIT)	**(814)**	(276)
EQUITY AT BEGINNING OF YEAR	**2,456**	2,732
EQUITY AT END OF YEAR	**$ 1,642**	$ 2,456

The accompanying notes are an integral part of the financial statements.

Cash Flow Statement

for the year ended June 30, 2002

(thousands of dollars)

	2002	2001
Cash flows from operating activities		
(Deficit)	**$ (814)**	$ (276)
Non-cash transactions:		
Loss (Gain) on disposal of capital assets	5	(15)
Amortization of deferred capital contributions	(45)	(18)
Amortization of capital assets	394	337
	(460)	28
Changes in non-cash items		
Accounts receivable and prepaid expenses	(749)	153
Accounts payable and other current liabilities	215	(88)
Employee future benefits	(53)	79
Professional development fund	34	183
	(553)	327
Cash (used by) generated from operating activities	**(1,013)**	355
Cash flows from financing activities		
Capital contributions	**259**	136
Cash flows from investing activities		
Proceeds from sale of equipment	20	15
Acquisition of capital assets	(485)	(997)
Cash used by investing activities	**(465)**	(982)
Net (decrease) in cash	**(1,219)**	(491)
Cash and cash equivalents at beginning of year	3,078	3,569
Cash and cash equivalents at end of year	$ 1,859	$ 3,078

The accompanying notes are an integral part of the financial statements.

Notes to the Financial Statements

June 30, 2002

1. AUTHORITY AND MANDATE

The Aurora College is established under the *Public Colleges Act*. The College is a territorial corporation under the *Financial Administration Act* and is exempt from income taxes.

Aurora College is a multi-campus institution designed to provide a wide variety of educational services to adult learners of the Northwest Territories (NWT). The programs are directed specifically to the northern environment and the needs of individual northerners, the workforce and northern communities. To accomplish this, courses and services are delivered at campuses and communities throughout the NWT. Through the work of the Aurora Research Institute, the College is also responsible for the facilitation and preparation of research activity in the NWT.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles. A summary of significant accounting policies follows:

a) Measurement Uncertainty

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires the College to make estimates and assumptions that affect the amounts of assets, liabilities, revenues and expenses reported in the financial statements. By their nature, these estimates are subject to measurement uncertainty. The effect on the financial statements of changes to such estimates and assumptions in future periods could be significant, although, at the time of preparation of these statements, the College believes the estimates and assumptions to be reasonable. One of the more significant management estimates relates to determining the liability for employee future benefits.

b) Capital assets

Capital assets transferred to the College when it was established were recorded at their estimated fair market value. Subsequent acquisitions are recorded at cost. Capital assets are amortized over their estimated remaining lives on a straight-line basis at the following annual rates:

Furniture and equipment	20 - 40%
Mobile equipment	10 - 33.33%
Building additions and renovations	5%
Leasehold improvements	over the term of the lease

Notes to the Financial Statements

c) *Employee future benefits*

Pension benefits

Employees participate in the Public Service Superannuation Plan administered by the Government of Canada. The College's contribution to the plan reflects the full cost of the employer contributions. This amount is currently based on a multiple of the employee's required contributions, and may change from time to time depending on the experience of the Plan. These contributions represent the total pension obligations of the College and are charged to operations on a current basis. The College is not currently required to make contributions with respect to actuarial deficiencies of the Public Service Superannuation Account.

Non-pension benefits

The College is required to recognize certain non-pension post-employment benefits over the periods which employees render services to the College. Employees are entitled to specified benefits on termination as provided for under conditions of employment, through a severance benefit plan. The College recognizes the cost of future severance benefits over the periods in which the employees render services to the entity and the liability for these benefits is recorded in the accounts as the benefits accrue to employees.

d) *Government contributions and deferred capital contributions*

Under a contribution agreement with the Government of the Northwest Territories (the Government) dated January 25, 1995, the College receives contributions for its operations and capital requirements for the administration and delivery of its adult and post-secondary education programs. Under the terms of this agreement, the College is allowed to retain all surpluses and is responsible for all deficits.

Contributions from the Government are the amounts set out in the Government's Main Estimates, as adjusted by supplementary appropriations, and represent the majority of the funding for the College to cover its expenses. Contributions for operating expenses are recognized on the statement of operations and equity in the College academic year for which it is approved. Contributions for depreciable capital assets are deferred and amortized on the same basis and in the same periods as the underlying capital assets.

e) *Project income and deferred project income*

The College provides education and research services to outside parties through contractual arrangements. Payments received under these contracts for which the development and delivery of projects is not completed are recorded as deferred project income until completion.

Notes to the Financial Statements

f) Contract services

Contract services are acquired by the College through contractual arrangements. They include printing services, advertising, building and equipment repairs, software development, curriculum development, food service contracts, janitorial contracts, instruction contracts, leases and rental agreements. These amounts are charged as an expense in the year the service is rendered.

3. CASH AND CASH EQUIVALENTS

The College's cash balances are pooled with the Government's surplus cash and are invested in a diversified portfolio of high-grade short term income producing assets. The cash can be withdrawn from the bank accounts at any time and is not restricted by maturity dates on investments made by the Government. The Department of Finance approves the eligible classes of securities, categories of issuers, limits and terms. All instruments, depending on their investment class, are rated R-1 Middle Low or better by the Dominion Bond Rating Service Ltd. The College's average annual investment yield for the year ended June 30, 2002 was 2.63% (2001 5.13%).

4. ACCOUNTS RECEIVABLE

	2002			2001
	(thousands of dollars)			
	Accounts Receivable	Allowance	Net	Net
Government contributions	$ 115	$ -	$ 115	$ 257
Project income				
- Government	683	2	681	285
- Other	886	66	820	229
Students	403	295	108	75
Advances	6	-	6	14
	$ 2,093	**$ 363**	**$ 1,730**	**$ 860**

All receivables are currently due and the fair value of these receivables approximates their carrying value.

Notes to the Financial Statements

5. CAPITAL ASSETS

	2002 (thousands of dollars)			2001
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Furniture and equipment	$ 1,055	$ 574	$ 481	$ 128
Mobile equipment	1,961	965	996	1,076
Leasehold improvements	782	503	279	387
Building additions and renovations	1,991	448	1,543	1,643
	$ 5,789	$ 2,490	$ 3,299	$ 3,234

6. PROFESSIONAL DEVELOPMENT FUND

Under collective agreements, the College is required annually to make available a specific amount of funding, against which approved instructor professional development expenses are charged. The balance represents the accumulated unspent amount of the College's obligation to instructors.

7. EMPLOYEE FUTURE BENEFITS

Pension benefit

During the year the Public Service Superannuation Plan (PSSA) required the College to contribute to the PSSA at a rate of 2.14 times the employees' contributions. Employer contributions to the PSSA during the year were approximately $1,322,000 (2001- $1,200,000).

8. EQUITY

The equity balance includes the net book value of capital assets transferred to the College when it was established and the results of operations since that date. The following appropriations have been made from equity:

Notes to the Financial Statements

	(thousands of dollars)				
Appropriated equity:	**Balance, opening**	**Net deficit**	**Appropriated**	**Used in Operations**	**Balance, ending**
a) Program delivery	$ 117	$ -	$ -	$ -	$ 117
b) Research & development	68	-	24	(16)	76
c) HEO replacement & maintenance	84	-	80	-	164
d) Restricted Donations	5	-	26	(10)	21
Unappropriated equity:	2,182	(814)	(130)	26	1,264
Total equity	**$ 2,456**	**$ (814)**	**$ -**	**$ -**	**$ 1,642**

a) Appropriated for Program Delivery

This appropriation is established to cover program costs contemplated in the annual Programs and Services Proposal prepared by the College, for which Government funding has not been approved. Allocations to and from this appropriation must be approved by the Board of Governors.

b) Appropriated for Research & Development

This appropriation is established to help fund research and development of the Research Associate and Fellowship programs at the Aurora Research Institute (ARI). Annually all unencumbered ARI administration revenue after fulfillment of third party contracts is transferred to this appropriation. Use of the appropriation must be approved by the Research Advisory Council.

c) Appropriated for HEO (Heavy Equipment Operator) Replacement & Maintenance

This appropriation is established to help fund replacement and maintenance of the HEO program heavy equipment. Annually net equipment rental fees charged to the third party contractors for HEO courses are transferred to this appropriation. Use of the appropriation must be approved by the Board of Governors.

Notes to the Financial Statements

d) Restricted Donations

From time to time, the College receives donations from individuals and corporations with conditions attached to them. In order to ensure that the wishes of the contributors are carried out, the donations are transferred to restrict donations until the conditions are met.

9. GOVERNMENT CONTRIBUTIONS

	2002	2001
	(thousands of dollars)	
Operating contributions	$ 23,632	$ 22,523
Amortization of deferred capital contributions	45	18
Other	(14)	14
	$ 23,683	$ 22,555

10. RELATED PARTIES

The College is related in terms of common ownership to all Government created departments, agencies and Crown corporations. The College enters into transactions with these entities in the normal course of business at normal trade terms.

Expenses

Under terms of administrative agreements, the Government provides and charges for certain support services to the College. The College reimbursed the Government $1,774,000 (2001 - $1,093,000) for facility operating and utility costs, employee benefits and other expenses recorded in these statements.

Services Provided Without Charge

Additional services provided by the Government without charge to the College include payroll processing, insurance and risk management, legal counsel, construction management, records storage, computer operations, asset disposal, project management, and translation services. These services would have cost the College an estimated $540,000 (2001 - $363,000).

The College also receives from the Government, without any rental charges, the use of facilities for two of its campuses, certain student housing units and community learning centres. The cost of these services provided without charge are not included in these financial statements.

Notes to the Financial Statements

11. COMMITMENTS

In addition to facilities provided by the Government, the College has operating leases and service agreements for student accommodation, classroom space, office equipment and other services and is committed to basic payments as follows:

	(thousands of dollars)
2003	$ 2,719
2004	2,691
2005	2,625
2006	2,571
2007	2,528
thereafter	11,989
	$ 25,123

A Look Toward the Future

We continue to work toward the goals articulated in our corporate plan, which have guided our ongoing development plans for the past three years.

In the coming year, our focus will be on examining our organizational design and our governance with a view to moving toward a more academic-oriented institution. This is in keeping with the direction we have been moving for a couple of years, and could involve such changes as new job titles, new reporting structures and the formation of new committees to oversee academic matters. As with all changes, our focus is to provide Northerners with access to top quality education and training programs.

We have recently completed a major research project that will inform these reorganization plans. The Board of Governors will work closely with College Senior Management over the next year in deciding which steps will build the best post-secondary education system for the NWT's unique training needs.

Another key developmental thrust of the coming year will be the implementation of our annual review process for all programs. Previously, programs were evaluated on a rotating basis every few years. With this new process in place, we will improve our accountability to stakeholders; improve our planning with the incorporation of more timely, relevant data; and initiate improvements to programs on an ongoing basis.

We will continue to work with our partners in all sectors in the coming year. In particular, we have established an excellent working relationship with Diavik Diamond Mines Ltd., who this year donated mill-processing equipment to the College, which will allow our students to train on the same equipment they will use in the workplace. Similar relationships with the oil and gas sector will help us to continue to meet petroleum industry training needs in the years to come.

As mentioned previously, we continue to expand health programming to address growing needs in that field, and we are committed to strengthening our Teacher Education Program in partnership with the Department of Education, Culture and Employment (EC&E) and the District Education Councils.

We will also be working with the EC&E in the coming year to examine issues such as cost-of-living indexing for our students and ongoing funding allocation issues. We are encouraged by the willingness of our Departmental colleagues to engage in discussions on these issues.

With the pursuit of these goals and the implementation of our planned changes and improvements, Aurora College will be well positioned to address changing training needs and to help Northerners pursue their educational goals for years to come.

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